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DEC 11 2006

FORM MR-RC (LMO)
Revised August 9, 2006
RECLAMATION CONTRACT

DIV. OF OIL, GAS & MINING

Mine Name: Thomas Pit

Other Agency File Number none

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

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LARGE MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Lakeview Rock Products, Inc.** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/011/002** Which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the land affected by the mining operations in accordance with the Act and regulations, and the Operator is obligated to provide a surety in form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the Act and regulations, as they may be amended, and in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division all of the lands affected by the mining operations conducted or to be conducted pursuant to the approved Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

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- A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and
 - B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the approved NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with an approved notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the approved NOI.
- 3. The Reclamation Plan is intended to establish methods, plans, specifications, and other details required by the Act and regulations as they pertain to the lands affected by mining operations, and no provision of the Reclamation Plan shall be interpreted to diminish the requirements of the Act and regulations. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI or Reclamation Plan, which are primarily intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
- 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
- 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or

B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act, the regulations, and the Reclamation Plan, as they may be amended. If the mining operations are modified or for any other reason vary from those described in the approved Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the approved Notice of Intention in accordance with the requirements of the Act and regulations, as amended and the Reclamation Plan, as amended. If the Division makes such finding, Operator may make request to the Division for a reduction in the amount of the surety. The Division, or the Board if the surety is in the form of a board contract, may permit such a reduction if it determines that the reduced amount will be adequate to ensure complete reclamation of the lands affected by the mining in accordance with the requirements of the Reclamation Plan, the rules and the Act, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to

maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.

10. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party, and that the Operator, if not a natural person, is an entity properly organized and in good standing under the laws of the United States and is registered with and authorized to do business in the State of Utah.

OPERATOR:

Lakeview Rock Products, Inc.

Operator Name

By Scott Hughes

Authorized Officer (Typed or Printed)

U.P.
Authorized Officer Position

Scott Hughes
Officer's Signature

12-18-06
Date

STATE OF

Utah

COUNTY OF

Davis

) ss:

On the 11th day of Dec, 2006, Scott Hughes

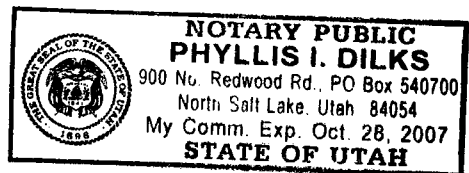
(he) personally appeared before me, who being by me duly sworn did say that he/she is an VP (i.e. owner, officer, director, partner, agent or other (specify)) of the Operator and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors, or as may otherwise be required to execute the same with full authority and to be bound hereby.

Phyllis I Dilks

Notary Public

Residing at Davis County

My Commission Expires: 10-28-07



☒ APPROVED

DIVISION OF OIL, GAS AND MINING:

By John R. Baza 12/13/2006
John R. Baza, Director Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 13 day of December, 2006, John R. Baza
personally appeared before me, who being duly sworn did say that he,
the said John R. Baza is the Director of the Division of
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he
duly acknowledged to me that he executed the foregoing document by authority
of law on behalf of the State of Utah.

Diane Holland
Notary Public



Residing at: Salt Lake City, Utah

05-08-2010
My Commission Expires:

FACT SHEET

Commodity: Sand and Gravel

Mine Name: Thomas Pit

County: Davis

Acres: 47.9

Operator Name: Lakeview Rock Products, Inc.

Operator Address: P.O. Box 540700, North Salt Lake Utah 84054

Operator Contact Name: Russell A. Larsen

Operator Telephone: 801 292 7161

Operator email: russ@hushesgc.com

Surety Type: Corporate Surety Bond

Surety Amount: \$100,000.00

Issuing Surety Company: Travelers Casualty and Surety

Account Number: 104733872

Contact Name: Stirling Broadhead – Dale Barton Agency – 801 288 1600

Surety Bond Rider issue date: Nov 7 2006

Issuing Surety Company: Travelers Casualty and Surety

Account Number: 104733872

Rider Amount: \$42,000.00

Total Surety amount: \$142,000.00

Escalation Year: 2011

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Div. of Oil, Gas & Mining



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Small Mine Reclamation Contract Addendum #1

June 19, 2006

Lakeview Rock Products, Inc., Thomas Pit, M0110002

Russell Larsen, Vice President, Excavation Division
Post Office Box 540700
North Salt Lake, Utah 84054

A small mine Notice of Intention has been submitted to the Division that allows mining operations within five (5) acres of a 48.8 acre proposed permit area. Operator is obligated to reclaim the current area five-acre area of mining operations and the disturbance that has been previously affected by the mining operation. It has been determined that the Operator will submit a Notice of Intention to Commence Large Mining Operations. Once approved, mining operations will expand beyond the current five (5) acres.

As a result of the existing disturbance that includes the five-acre mining operations area and the area previously disturbed by mining operations, the following terms and conditions are incorporated into the Reclamation Contract:

1. The Division has determined the Operator has commenced mining operations without a complete Notice of Intention as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act.
2. Operator is obligated in accordance with the Act and the regulations to reclaim the land affected by operations prior to this contract, and that may be affected by the mining operations.
3. Operator and the Division have reached an understanding wherein the Operator has provided adequate surety in an amount determined sufficient to cover the current areas of existing disturbance (ATTACHMENT A). This surety amount may be adjusted per the Reclamation Plan that will be identified as part of the Notice of Intention to Commence Large Mining Operations.
4. The Division and the Operator have determined that the Operator will submit a Notice of Intention to Commence Large Mining Operations subject to the terms of the

Reclamation Contract. Until such submittal and approval, Mining Operations are allowed within the five (5) acre footprint as identified in the Notice of Intention to Commence Small Mining Operations.

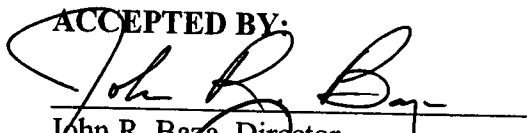
Nothing herein contained shall vary, alter, or extend any provision or condition of the Reclamation Contract.

To the extent any conflict exists between this letter addendum and the Reclamation Contract, these terms shall control.

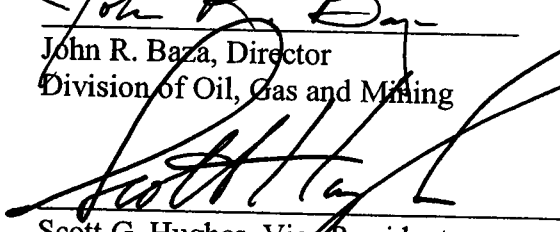
Please acknowledge with your signature, make a copy and return this letter with original signatures to the Division.

The below signed, acknowledge and accept these revisions and incorporate them into the Small Mine Reclamation Contract received by the Division on June 13, 2006.

ACCEPTED BY:


John R. Baza, Director
Division of Oil, Gas and Mining

7/3/06
Date


Scott G. Hughes, Vice President
Lakeview Rock Products, Inc.

7-12-06
Date